



TOWN OF  
**QUEEN CREEK**  
ARIZONA

# Solid Waste Services

## Rate Analysis FY13/14

June 5, 2013

Troy White – Public Works Manager  
Ramona Simpson – Environmental Programs Supervisor



# Solid Waste Program-First Three Years

## Positive Environmental Impact

- Recycling Diversion Rate of 20%- Reducing Queen Creek's Carbon Footprint
  - Recycling Tonnage: 5,325 tons
  - Reduction of 11,676 Metric tons of Carbon Monoxide
  - Reduction of GHG Emissions equivalent of 2,130 passenger vehicles





# Solid Waste Program-First Three Years

## Special Events

- America Recycles Day
- Earth Day
- Christmas Tree/Electronics Recycling
  - 38 Tons of material diverted thru Events (76,000 lbs)

## Do More Blue

- Town Procured Rights to Public Outreach Campaign in partnership with City of Tucson saving over \$50,000 in design fees

## Recycling Outreach

- Over 1,500 3<sup>rd</sup> & 4<sup>th</sup> grade students in Queen Creek, Higley and (2) Charter Elementary Schools participated in our Recycling/Environmental classroom outreach sessions



# Solid Waste Program-First Three Years

## Additional Services Provided:

- Household Hazardous Waste Program
  - Town of Gilbert Partnership
- Textile Curbside Recycling Program
  - 1<sup>st</sup> in the Nation
  - National Media Exposure
  - Over 27,000 lbs diverted

# Solid Waste Program-First Three Years

## Community:

\$2,700 to Boys & Girls Club of Queen Creek



Recycling Badge Opportunities for Girl Scouts- East Valley Partnerships





# Solid Waste Program-First Three Years

## Establishment of Initial Rate:

- Rate set to cover all program costs
  - INCLUDES: Curb-Side Refuse; Recycling, Bulk Collection, and Special Events
- Per the contract- the contractor is allowed an annual increase of up to 5% based on the Consumer Price Index
- Council elected not to have an annual increase in the user fees and directed staff to set a single rate for the first 3 years of the program
- The rate was based on the costs of the program including the contractor's annual allowable increase averaged over the three year period (\$15.41)

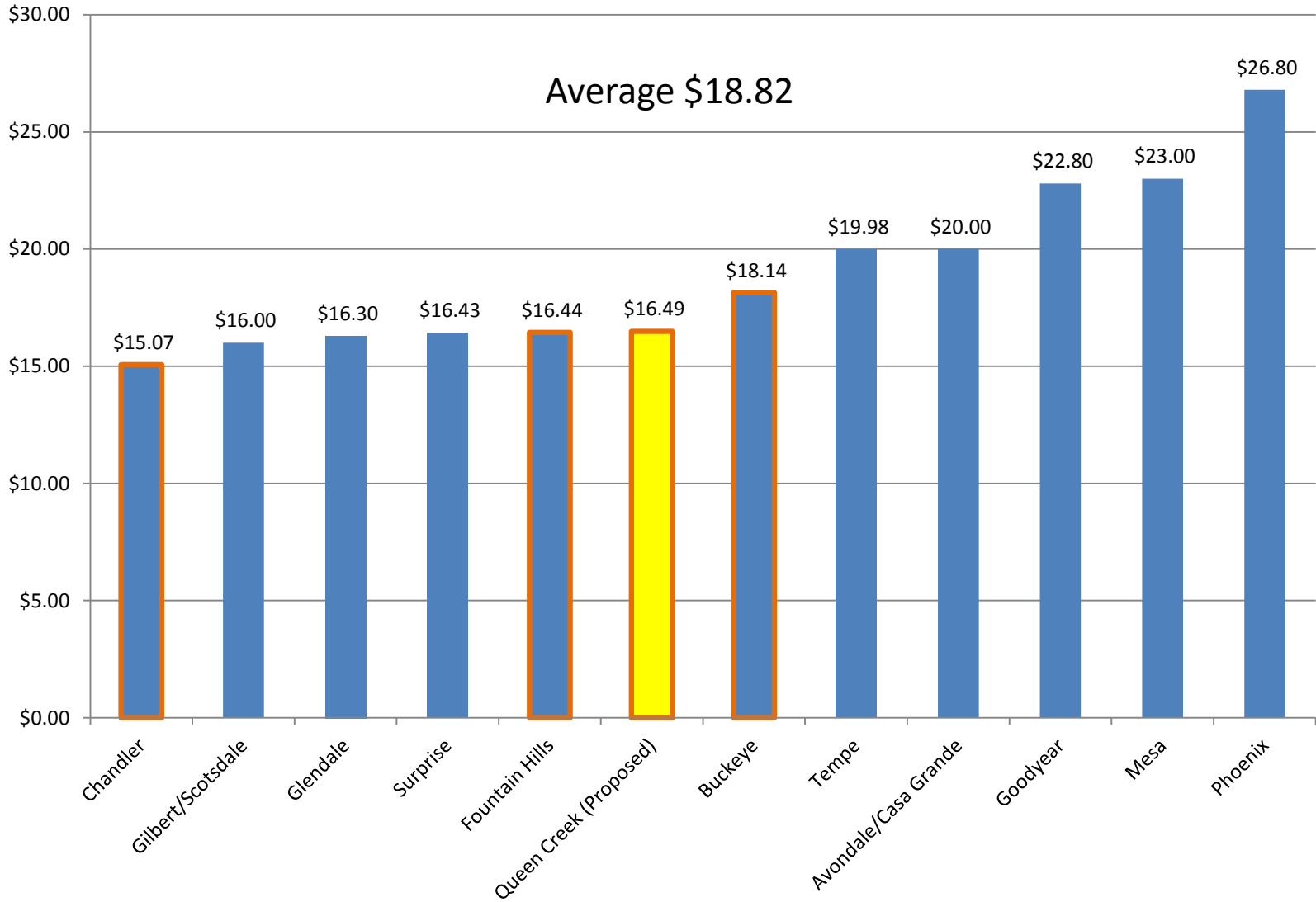


# Solid Waste Program- Next Two Years

## Staff Recommendation:

- Set user fee for the next two years at \$16.49
  - Rate increase of \$1.08 will address increased costs in the program:
    - Offset a decrease in the recycling revenues
    - Establish an Operating Reserve Fund/Cart Replacement Fund/ and allow for appropriate annual program contingency
    - Additional needed staff for growing customer service needs
      - Part-time Customer service
      - Part-time Inspector
    - Contractor's annual increase over the next two years
- Continue Textile Program- No cost to the residents
- Continue HHW Program- No additional cost

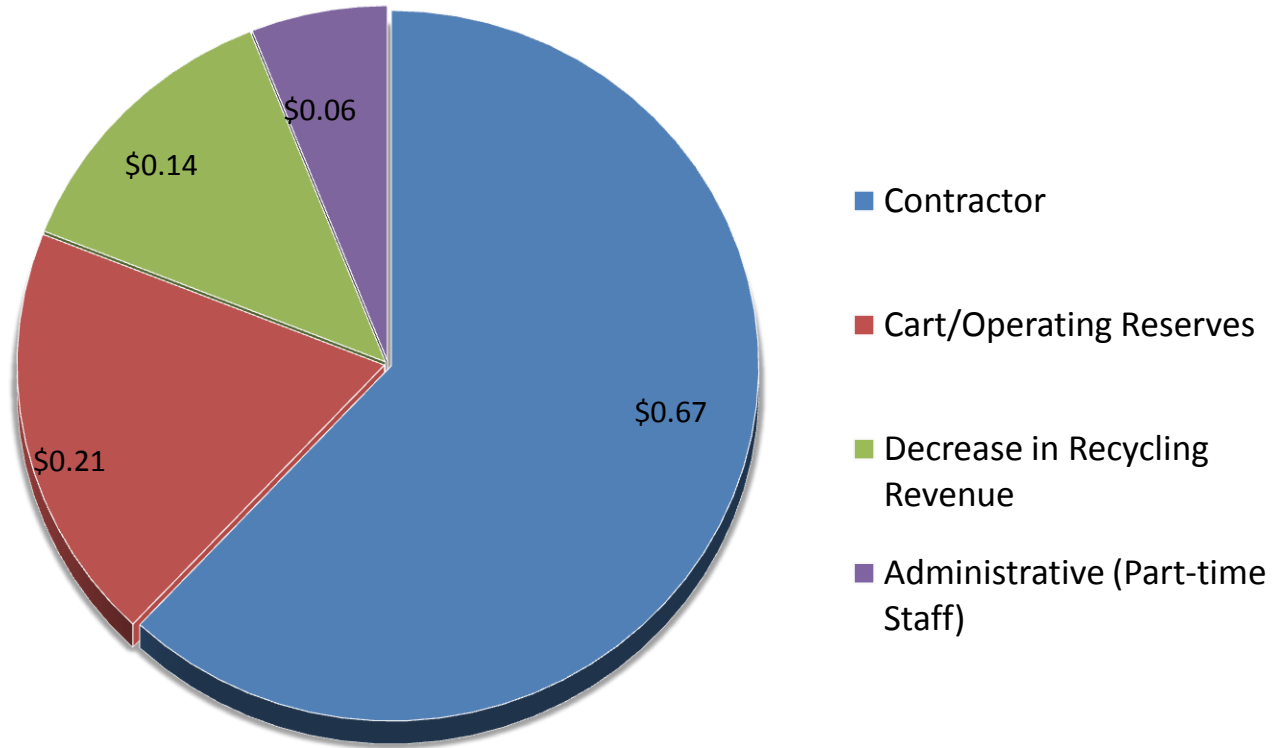
# Municipal Trash & Recycling Collection Monthly Rate Comparison 2012





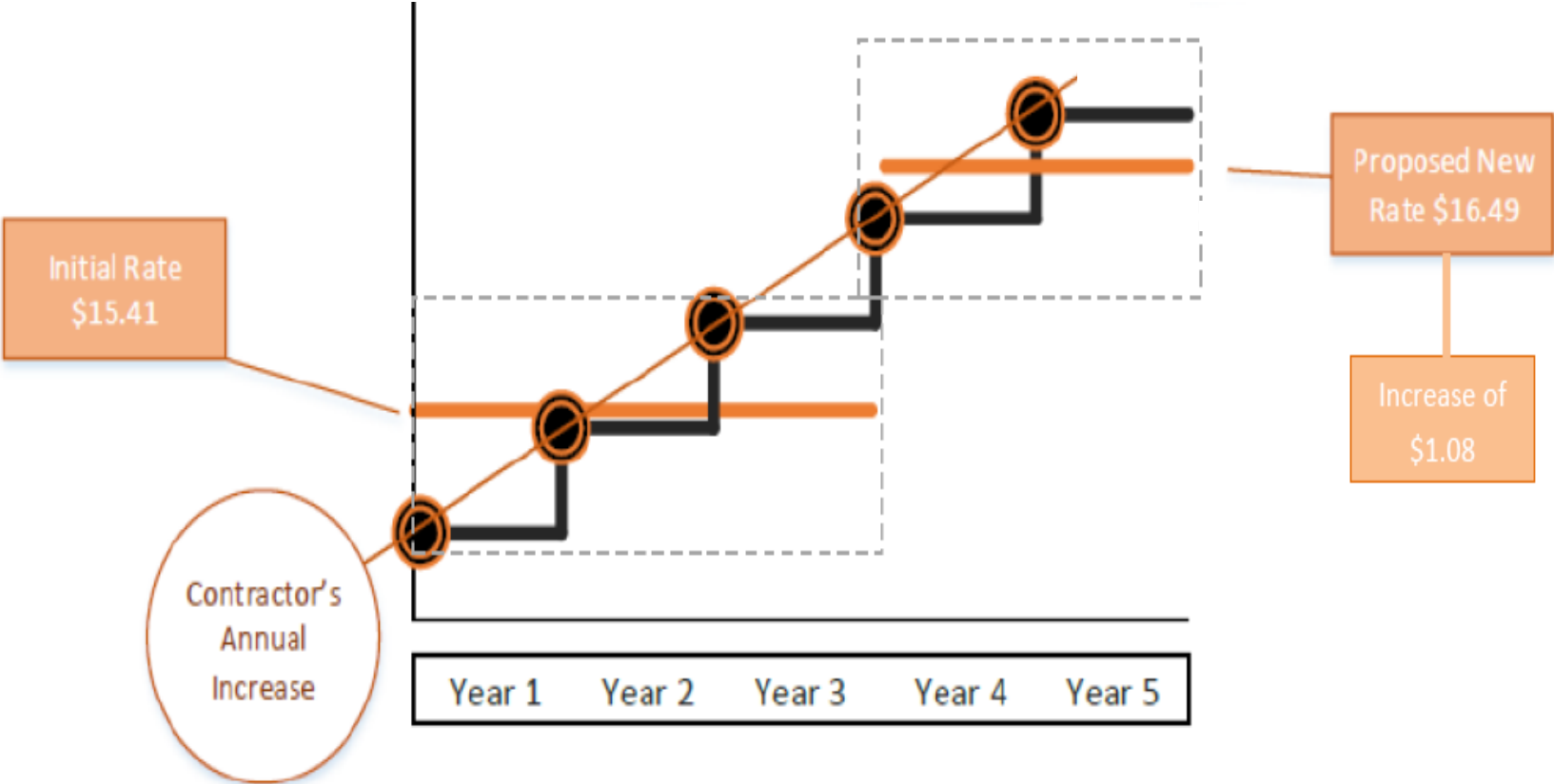


## Rate Increase Factors



**Total Proposed Increase \$1.08**

# Contractor's Increase

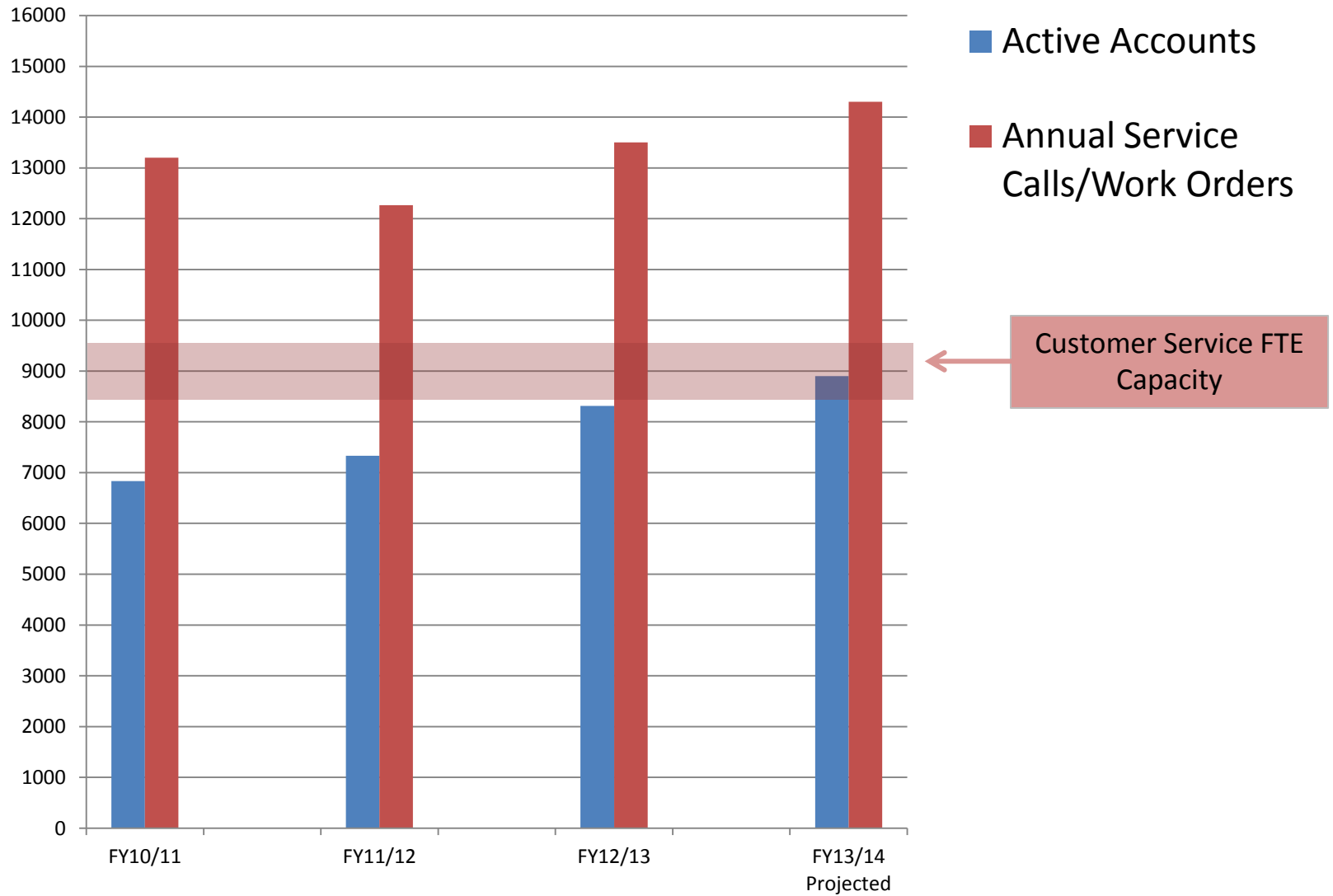


## Decrease in Recycling Revenue

- Town uses recycling revenues to offset program costs. This helps keep monthly user rate down
- Over the last two years the recycling commodities market has fallen by 60%
- As a result- less revenue is coming in even though the program has increased by over 1,000 households

Month	Year	Tons	Revenue	Cost Per Share
July	2011	158	\$ 5,679	\$ 36
Aug	2011	169	\$ 6,675	\$ 40
Jan	2013	194	\$ 2,596	\$ 13
Feb	2013	176	\$ 2,708	\$ 15


# Additional Staffing





# Rate Questions

- What impact does the temporary discontinuance have on the program cost recovery?
- Can we drop the rate of \$.21 that is associated with establishing the Operating Reserve/Cart Replacement Fund/Contingency in lieu of the fee associated with the loan payback?



## What impact does the temporary discontinuance have on the program cost recovery?

- Total lost program recovery over five month discontinuance is \$25 per household
  - Initial cart cost, program loan, special events
  - \$800 annually 160 HH
- Currently there is a \$15 fee associated with the request
- Council could consider setting the fee at \$25 to cover direct lose of program recovery



Can we drop the rate of \$.21 that is associated with establishing the Operating Reserve/Cart Replacement/Contingency in lieu of the fee associated with the loan payback?

### \$.21 Breakdown

Years 1-5

\$.17 Operating Reserve

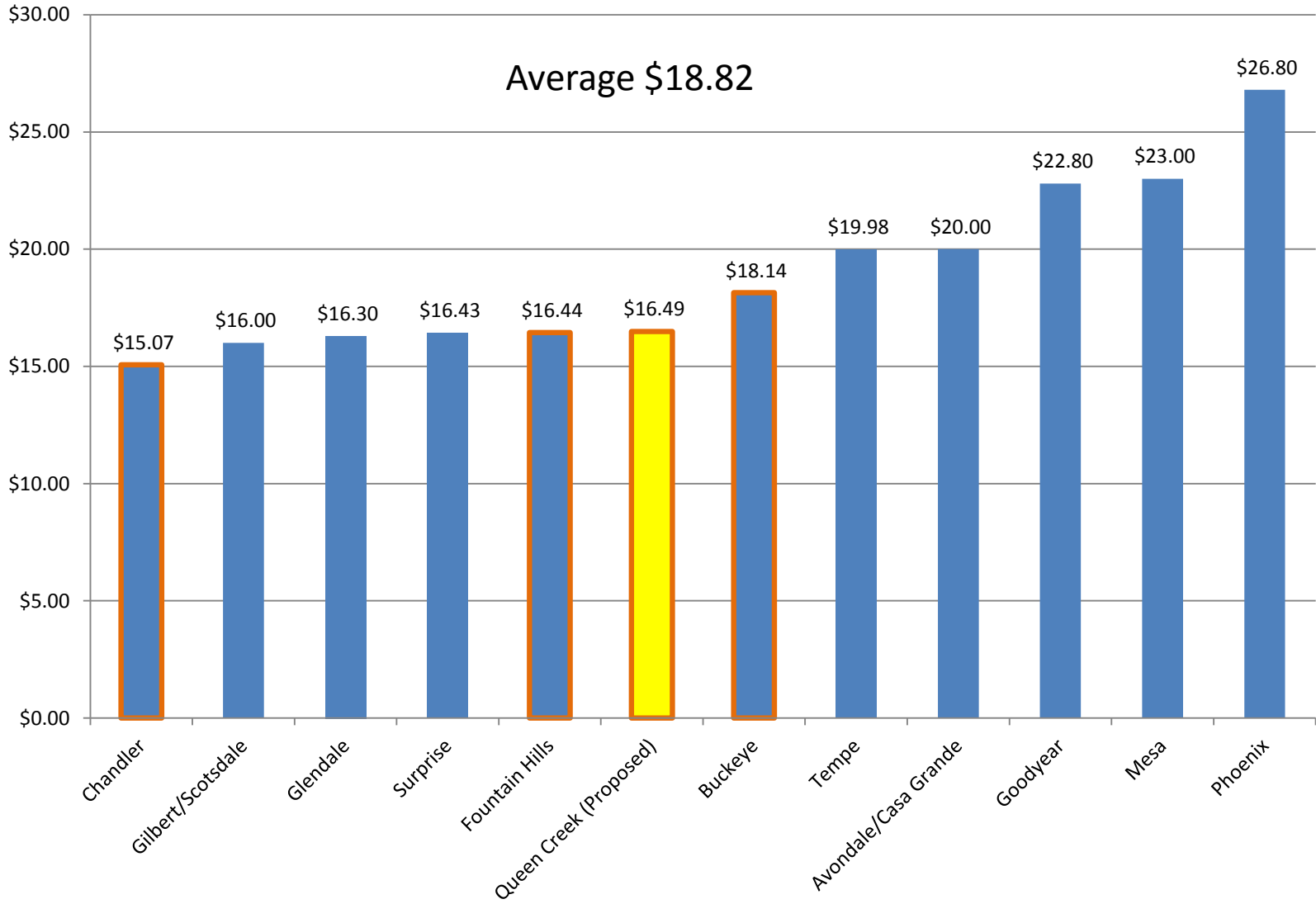
\$.04 Contingency

Years 5 and beyond

\$.17 Cart Replacement Fund

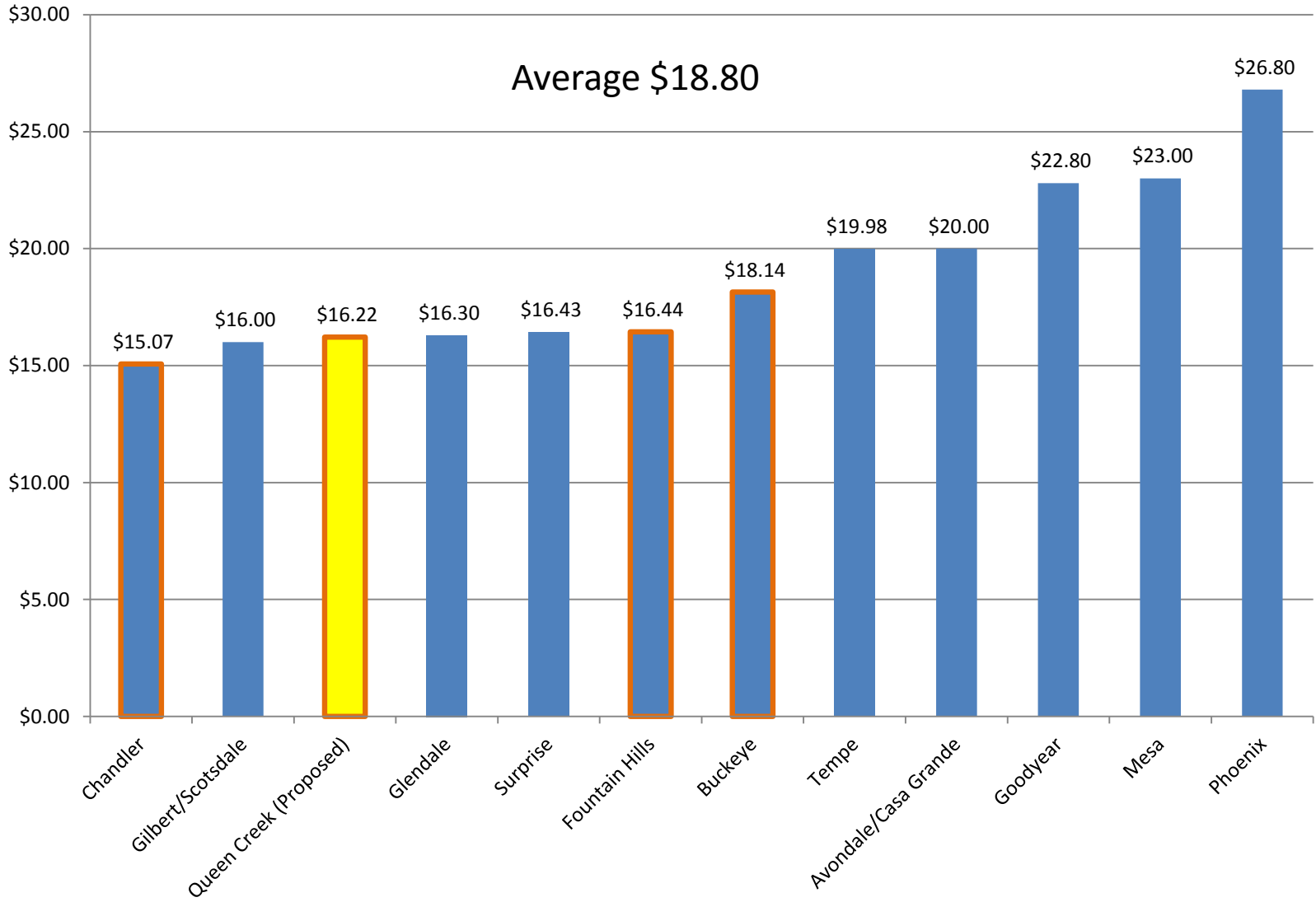
\$.04 Contingency

# Municipal Trash & Recycling Collection Monthly Rate Comparison 2012





# Municipal Trash & Recycling Collection Monthly Rate Comparison 2012



# Amended Notice of Intention

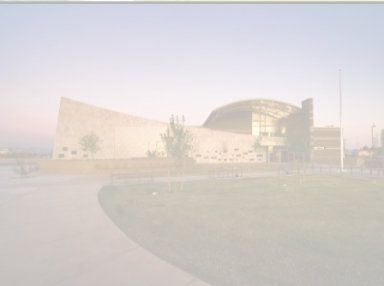
- Two-year Rate \$16.22
- Additional Solid Waste Cart \$7.15
- Non-Collection Day Waste or Recycling Rate \$21.75
- Additional Bulk Waste \$82
- Half Manure Cart \$11.15
- Full Manure Cart \$15.15
- Additional Cart Replacement \$15
- **Temporary Discontinuance of Mandatory Services \$25**
- Recycling Services \$6.75

# Solid Waste

## Next Steps

- Public Notice:
  - Posted on web 60 days (required)
  - Notice on utility bill (?)
  - E-Newsletter
  - Twitter
  - Facebook
- August 7- Public Hearing and Possible Approval
- September 1- Effective Date (if approved)





Questions/Comments?